

Testimony of David Thomas, AARP CT Volunteer Representative on the Low Income Energy Advisory Board LIHEAP Block Grant Allocation Plan September 27, 2011

Good afternoon. My name is David Thomas; I am an AARP volunteer and AARP's representative on the Low Income Energy Advisory Board. AARP is a nonprofit, nonpartisan organization with a membership that helps people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole. On behalf of AARP, and our nearly 600,000 Connecticut members, I want to share our concerns with the recently submitted LIHEAP Block Grant Allocation Plan. Specifically, we take issue with OPM's recommendation to exclude some of the neediest residents based on their fuel source.

While we understand these are difficult fiscal times, AARP believes heat assistance is a matter of public health and safety. We urge you to find a way to maximize heat assistance for all those in need. LIHEAP is the most important source of assistance for low-income residents struggling to cope with high energy costs, yet even when it is fully-funded, program resources are insufficient to meet the needs of eligible families. We are especially concerned about the effects of heating costs on older adults, who are more susceptible to hypothermia and weather-related illness.

Any plan that leaves vulnerable residents without the basic assistance needed for safe shelter this winter is simply unacceptable. AARP remains committed to fighting on the federal level to maximize federal funding. However, additional federal funding is no certainty, and without those resources, there are no good options: deep cuts in benefits will make the assistance almost meaningless, and narrow or arbitrary eligibility limits will leave many vulnerable residents without any help at all.

AARP opposes any allocation plan that completely excludes gas and electric customers. Federal law requires energy assistance to be focused on low-income households that pay a high proportion of their income on home energy costs. Priority, therefore, should be based on the greatest need. In determining need, the availability of shut-off protection is a legitimate factor, but should not be determinative. Shut-off protections can help avert immediate disaster, however, the prospect of a large bill will cause some—especially older customers—to put themselves at risk by keeping the temperature too low or cutting basic needs.

Additionally, low-income households might never be able to catch up on their bills, which would threaten their access to necessary utility services and could shift costs to other utility customers. The Earned Income Tax Credit, which may be available to low-income families as a life-line to help pay

¹ During the winter of 2009-2010, energy bills totaled \$28.9 billion more than low-income households could afford. Federal energy assistance during that period amounted to just over \$4 billion, leaving a gap of over \$25 billion in energy assistance needs. Ann M. Jackson, The Low Income Home Energy Assistance Program: A Critical Resource for Low-Income Households, AARP Public Policy Institute (April 2011).

back winter heating costs, will not be available to seniors that do not earn money. Seniors that rely on Social Security and pension income, for example, will not benefit from the Earned Income Tax Credit. And, seniors who rent could face eviction if they must pay their utility bills in addition to rent.

AARP also urges you to avoid any radical changes in the allocation of heat assistance until the Department of Energy and Environmental Protection has a chance to develop options for a discount electric and natural gas rate. The discount rate, which was part of the recently enacted energy reform legislation,² could provide an additional avenue of low-income support that might require us to rethink heat assistance allocations.

AARP is doing our part to help mitigate the crisis. In addition to fighting for more federal assistance, we are redoubling our efforts to connect Connecticut seniors with other public benefits and low-income programs including SNAP food assistance and the Medicare Savings Program. The goal is to maximize participation in other public assistance programs that can save seniors money and free up their income for heating and energy expenses this winter. AARP is committed to working with legislators and the Governor to maximize funding for heat assistance and to ensure the safety of our most vulnerable residents.

Thank you.

² Public Act 11-80, AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE